

**PRICEOUT OF PER CONNECTION FEES FOR HIGH COST SUPPORT  
AND REVENUE PERCENTAGE FOR S & L FUND  
PROJECTED CALENDAR YEAR 2003**

**NETWORK COST RECOVERY REQUIREMENTS**

**2003 High Cost Funding Requirement Estimate**

High Cost Loop	\$ 1,081,683,000
High Cost Model	210,000,000
Local Switching Support	416,467,000
Long Term Support	507,736,000
Interstate Access Support	650,000,000
Interstate Common Line Support	470,000,000
Competitive ETC Support	100,000,000
<b>Total High Cost Support</b>	<b>\$ 3,435,886,000</b>

**Estimated 2003 Connections**

ILEC Residential and Single Line Business Lines	132,306,154
CLEC Residential and Single Line Business Lines	12,415,897
Wireless/PCS Service Connections	163,524,349
Wireless/PCS Service Interexchange Connections	163,524,349
Interexchange Carrier Res/SLB Connections	144,722,052
ILEC Business Subscriber Lines	38,280,870
CLEC Business Subscriber Lines	16,525,588
IXC Business Subscriber Connections	54,806,459
	<b>726,105,718</b>

Monthly High Cost Requirement	\$ 286,323,833
Monthly High Cost Requirement per Connection	<b>\$ 0.39</b>

**LOW INCOME, SLS AND RHC SUPPORT**

**2003 Low Income, SLS, RHC Funding Requirement Estimate**

Low Income Support	\$ 750,000,000
Schools & Libraries Support	2,250,000,000
Rural Health Care Support	100,000,000
<b>Total Low Income, SLS &amp; RHC</b>	<b>\$ 3,100,000,000</b>

**Estimated 2003 Interstate Total Revenues**

ILEC Revenue	\$ 14,451,000,000
CLEC Revenue	4,536,000,000
Wireless Revenue ("15% Safe Harbor")	12,420,000,000
Interexchange Revenue	48,032,000,000
Operator Service Provider (OSP)	302,000,000
Prepaid Calling Card	608,000,000
Satellite Service Provider	261,000,000
Toll Reseller	4,306,000,000
Pager, SMR Dispatch, & Wireless Data	459,000,000
All Other Categories	727,000,000
Broadband ISP	4,680,000,000
Dial-up ISP	11,021,000,000
	<b>\$ 101,803,000,000</b>

Resulting Percentage	<b>3.05%</b>
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Notes: Connection projections derived from FCC Competition Reports and CTIA website information.  
Internet subscribership data used to estimate broadband and dial-up ISP revenue.